
WEEK 4
Saturday
Nov 6, 2021
9:00AM–1:00 PM

**6TH CREATING
SUSTAINABLE
NEIGHBORHOOD
DEVELOPERS'
PROGRAM: *Virtual***

- 9:00 am: ***Welcome!***
Dr. Donald Andrews- Dean, College of Business, Southern University and A&M College
- 9:05 am: ***EDA University Center***
Dr. Ghirmay Ghebreyesus, Director, SU EDA University Center
- 9:10 am: ***Course Objectives***
Eric L. Porter, ComNet LLC
- 9:20 am: ***“Where are they Now (Program Graduate)?”***
Meredith Dunbar - “Women in Real Estate Summit”
- 9:35 am: ***“Business Insurances”***
Agnes Andrews, Owner & Agent, Allstate Insurance Agency
- 10:35 am: *Break***
- 10:45 am: ***“Licenses, Certifications and Business Start-Ups”***
Ada Womack, MBA, Director,
Louisiana Small Business Development Center at Southern University
- 11:35 am: ***“Steps to Starting a Non-Profit Organization”***
LaTania Anderson, *landerson consulting inc.*
- 11:45 am: ***“The Creation of a Neighborhood Developer”***
Deirdre Jones, President, *The Touchdown Group*
- 12:25 pm: ***“Disaster Mitigation in Real Estate”***
Raymond Brown, Esquire, MS, MBA
- 1:00 pm: Closing
Dr. Sung No, Co-Director, SU EDA University Center

Insurance Presentation Creating Sustainable Neighborhood Developers Program

November 6, 2021

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History of Insurance: How Did We End Up Shipwrecked at Bottom of the Sea



History of Insurance

The main principle of insurance — trading the burden of risk for money — was slowly developing into a global phenomenon as commerce was expanding.

China, 3000 BC: that's the date on insurance's birth certificate. The proud parents were Chinese merchants who, tired of losing valuable goods in shipwrecks, proposed what is now recognized as the oldest predecessor to modern insurance. Merchants divided their goods evenly among the ships, meaning that each boat carried a mix of cargo, not just one merchant's.

Thus, a shipwreck meant a slight loss for all instead of a crippling loss for one — safety in numbers, a time-tested principle that your insurer practices to this day.

Source: esurance History of Insurance

Reasons for Insurance

Why is it important to have insurance? **Risk Management Strategy for Loss Recovery**

- Life and Health
- Property
- Liability Exposure
- Legal and regulatory requirements
- Business continuity – recovery from disasters, systems continuations, maintains cash flow
- Protection from errors



Assuming Risk is Part of Doing Business

Going outside is a risk, but so is staying inside.

Going out may require boots, coat, or an umbrella for protection, but staying in can result in missed opportunities.

Business insurance eases the burden of risks, so owners can “go out” to...



focus on business
development and growth.

Insurance for a Small Business

Review examples of work-specific insurance which are required by certain licenses.

1. Here are a few to begin:
 - **Construction company – general contractor's liability**
 - Auto repair shop – business general liability
 - Restaurant – foodbusiness insurance



Insurance Your Business May Require

State and Local Requirements

- Always check with federal, state, county and local governments
- Workers Compensation with specific coverage may be required for employees
- Automotive insurance coverage for vehicles used in connection with the business



Worker's Compensation Insurance

Protects against illnesses, injuries at work.


- Pays for rehabilitation, retraining
- Addresses payments to beneficiaries and medical payout limits
- Required by most states, check state laws
- Private or state administered



Unemployment Insurance

Benefits those who are unemployed through no fault of their own.

- Willing and able to work and actively searching work to be consider unemployed
- Federally regulated, state administered
- Check with state and Federal Dept. of Labor
- Always make payments, avoid penalties and actions (lien, misdemeanor, felony)



Híre me!

General Liability Insurance

- ▶ General liability covers common risks
- ▶ From carpenters to general contractors, construction and contracting professionals face high risks. General liability insurance helps pay expenses related to **third-party injuries and property damage**.
- ▶ Example If a visitor is injured at your jobsite or property damage occurs during a renovation, for instance, general liability insurance can cover medical bills or the cost of repairs.
- ▶ This policy provides liability coverage related to:
 - ▶ Customer injury
 - ▶ Customer property damage
 - ▶ Libel and slander
- ▶ Source: <https://www.insureon.com/construction-contracting-business-insurance/general-liability>

General Liability Insurance

- ▶ If you run a small construction or contracting business, you may be able to bundle general liability insurance with commercial property insurance in a [business owner's policy \(BOP\)](#).
- ▶ A **BOP** offers more complete coverage at a lower cost than purchasing each policy separately. Businesses that are eligible for a **BOP** typically:
 - ▶ Have fewer than 100 employees
 - ▶ Have a small office or workplace
 - ▶ Make less than \$1 million in annual revenue
 - ▶ Operate in a low-risk industry
- ▶ Need less than 12 months of [business interruption insurance](#)
- ▶ [Talk to a licensed Insureon agent](#) to find out if your construction business is eligible.
- ▶

General Liability Insurance

- ▶ What coverage can general liability provide for construction companies?
- ▶ **Customer injury**
- ▶ If a customer trips over a toolbox or a ladder while you're doing electrical or carpentry work, you could be blamed for the injury. If the person sues, you could end up paying for medical and legal expenses. General liability insurance covers:
 - ▶ Attorney fees
 - ▶ Court-ordered judgments
 - ▶ Settlements
 - ▶ Medical bills
 - ▶ Funeral expenses in fatal incidents
- ▶ **This policy does not cover employee injuries.** For that, you'll need to purchase workers' compensation insurance.
- ▶

General Liability Insurance

- ▶ **Customer property damage**

- ▶ Accidents can be costly for construction professionals and contractors. General liability insurance safeguards small businesses when client property is damaged. For example, if a client's furniture is damaged during remodeling, your general liability policy could help pay for the cost of repair or replacement. This policy can also cover the cost of a lawsuit if a client decides to take you to court over damaged property.

- ▶ **Libel and slander**

- ▶ While advertising your company and its construction services, it's possible to inadvertently copy a competitor's slogan or mimic another advertising campaign. Accidental advertising injuries are covered by general liability insurance, including:
 - ▶ Copyright infringement
 - ▶ Defamation, both libel (written) and slander (spoken)
 - ▶ Other policies for construction and contracting businesses to consider

General Liability Insurance

Covers basic construction and contracting risks, it does not offer absolute protection. Other policies to consider include:

- ▶ Workers' compensation insurance: Required in almost every state for construction businesses with employees, workers' comp can cover medical fees for work-related injuries.
- ▶ Commercial auto insurance: This policy covers vehicles owned by your construction or contracting business. It typically pays for accidents and damages related to theft, weather, and vandalism.
- ▶ Contractor's tools and equipment insurance: This policy helps pay for repair or replacement of a contractor's tools and equipment if they are lost, stolen, or damaged.
- ▶ Builder's risk insurance: Builder's risk insurance can pay for damage done to a structure still under construction, such as fire or vandalism at a construction site.
- ▶ Professional liability insurance: This policy covers professional mistakes and oversights, such as a contractor missing a deadline for a project.

Other Liability Insurance

- Professional Liability Insurance
 - May be required for
 - Certain professional licenses
 - Certificates of business or professional business registrations
- Directors & officers

Liability laws change—



Stay Informed

Other Types of Insurance to Consider

- Loss of income
- Life
- Disability
- Medical



Lender or Investor-Required Insurance

When financing, a lender or investor may require you show insurance protecting:

- ← Business assets (building, property)
- ← Cash flow – provision for interruption of business (e.g., reconstruction, repairs)
- ← In the event of owner's disability or death



“Key Person” Policy

Think about and respond to these discussion points.



1. Do you have a list the names who could run your business or that you would trust to do so, if you were ill for an extended period of time?
2. List who would take over your business in the event of your death.
3. Do you have a plan for your business in the event of your death?
4. Is there a family member or trustee named to liquidate the assets?

Surety Bonds

A surety bond is issued by a third party, known as a surety, as a guarantee the second party will fulfill its obligations or meet certain laws. If the second party fails to do this, the bond covers the damages.

- Required for some licenses or permits (e.g., car dealer, construction contractor)
- Protection for consumers and for government
- “Bid bond” may be required to submit a bid to the government



Location-Related Considerations

Business location affects type of policy

- Home-based – Add-on to homeowner's or separate

Warning: Your traditional homeowner's insurance may NOT cover damage caused by your home-based small business!

- Retail – one or more locations, inventory theft, credit card theft, personal vehicle for deliveries
- Flood Insurance

What Is Title Insurance?

Do I Have to Buy It? Do I Want to Buy It?

- ▶ When you buy property (land or land with a building such as a home), the seller transfers the title to the property to you.
- ▶ Title to property means legal ownership of the property. Some problems with the title could prevent the seller from transferring the property title to a buyer or prevent a lender from issuing a mortgage loan.
- ▶ Title insurance helps to make sure the seller can transfer the title to you. It also may help protect you if a problem with the title comes up after you buy or refinance property.
- ▶ Source: Google Search https://www.naic.org/documents/committees_c_cst_wg_related_la_spec...

What Is Title Insurance?

- ▶ Title insurance doesn't guarantee there are no problems with a title. But it does guarantee that there are no problems with the title that would prevent a sale or refinance of the property.
- ▶ If you borrow money to buy a property or if you refinance your mortgage, you have to buy a loan title policy because the lender requires it.
- ▶ You pay the premium once for each new loan title policy (also known as a lender's title policy). This loan policy protects the lender. The loan policy stays in force as long as the mortgage loan exists.
- ▶ You don't have to buy an owner's title policy when you buy a property, but this policy gives you protection above the protection of the loan title policy. You buy (and pay for) an owner's policy once each time you buy a property, and it stays in force—keeps protecting you—for as long as you own the property.

What Is Title Insurance?

- ▶ Premium discounts may be available to lower your premium. The most common discount is a refinance or reissue discount. Ask your title agent or title insurer about discounts.
- ▶ In Louisiana title insurers may charge different premium rates. Shop to find the lowest premium.
- ▶ The premium you pay for title insurance in Louisiana does not cover title search or examination. You will be charged a separate fee for these services in addition to the premium charged for the title insurance.
- ▶ While your lender may require you to buy a loan title policy, you always have the right to choose the title agent and title insurance company. If your real estate agent, attorney, lender, home builder or other real estate professional tells you that you're required to use a particular title agent or title insurer, that's not true, and you should report this to Louisiana Department of Insurance and the U.S. Consumer Financial Protection Bureau.

What Is Title Insurance?

- ▶ The [Louisiana Department of Insurance](#) and the [U.S. Consumer Financial Protection Bureau](#) have more information about title insurance. They also will take your complaint if you feel you haven't been treated fairly.
- ▶ With title insurance, you get a title search, a title commitment and a title insurance policy. In a [title search](#), the title agent or title insurance company searches public records for any problems with the title, such as someone other than the seller having a legal right to the property.
- ▶ The [title commitment](#) is the insurance company's promise to issue a title insurance policy under certain conditions.
- ▶ The [title insurance policy](#) is the title insurance company's promise to try to fix some problems missed during the title search or to promise to pay your lender or you if the title problems can't be fixed.
Remember, a title insurance policy doesn't guarantee there are no problems with a title but the policy serves as a tool to resolve problems with the title that would prevent a sale or refinance of the property.

Selecting a Policy

Weigh the costs to insure the risk

- Does it make sense? Could you cover it without insurance?
- Consider policy costs with deductibles and coverage limits
- Is the coverage sufficient?
- Does the policy provide for growth?
- Are there time constraints on modifying coverage?



A Life Well Planned:

Being prepared can get you and your family through life's most difficult moments: Keeping Records Organized and up to Date is Important

- ▶ Documentation (Contacts, Legal Documents, Loans and Liabilities)
- ▶ Assets
 - ▶ Financial Records
 - ▶ Records of Property
- ▶ Online Access
 - ▶ Personal Account Information
 - ▶ Financial and Insurance Accounts
 - ▶ Credit Card Accounts
 - ▶ Automatic Payment Accounts
 - ▶ Business and Job-Related Accounts
- ▶ For Your Survivors
 - ▶ Final Arrangements
 - ▶ Importance of a Will

Selecting a Company and an Agent



Compare quotes, coverage,
deductibles and other details

- Stable and accessible?
Check consumer and
business reviews,
network with others

Know what's **not** covered!

What to Do After the Purchase

- Keep policies easily accessible
- Keep phone numbers readily available
- Maintain insurance-related procedures in business continuity plan
- Review policies periodically
- Meet with agent from time-to-time



Continued ...

Key Points to Remember

- Insurance
 - Minimizes the impact risks can have on your ability to continue operations
 - Impacts continued financing
 - Helps retain employees
 - Provides protection from liabilities
- Your location, facilities, autos and type of business operations determines your insurance needs

Don't End Up Shipwrecked without the Right Insurance Recovery Plan



Insurance Presentation Creating Neighborhood Developers Program

Thank You

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CREATING NEIGHBORHOOD DEVELOPERS

“Licensing Requirements for Contractors in Louisiana and Certification Programs”

Louisiana Small Business Development Center Southern University

Presented by:

**Ada Womack-Bell, MBA
Director**



About Us!

The Louisiana Small Business Development Center (LSBDC) network, hosted by Louisiana Delta Community College, is a member of the National Association of Small Business Development Centers and funded in part through a cooperative agreement with the U.S. Small Business Administration, Louisiana Economic Development and participating universities and community colleges.

Our Mission

Our mission is to facilitate the formation and growth of small businesses through individual one-on-one consulting services, entrepreneurial workshops, training programs and business resources. With a network of 7 regional locations across all 64 parishes, professional LSBDC consultants turn simple ideas into profitable business ventures.

Products & Services

- **Consulting**

We offer high-quality, confidential consulting to existing and new small business owners at no charge. LSBDC business consultants will help you evaluate your business idea, prepare marketing strategies, determine financing needs, develop a loan proposal, conduct industry and market research, and create an actionable business plan.

- **Workshops & Seminars**

We provide affordable training, in addition to affordable training and high-quality market research. We specialize in growth acceleration, international trade, government contracting, and emergency preparedness and more.

- **Business Information & Resources**

With our no-cost business information services, the LSBDC can help you gather industry or market statistics for your business or marketing plan, research specific market or industry trends, and identify competitors, suppliers or potential customers.

Louisiana State Licensing Board for Contractors

The Louisiana State Licensing Board for Contractors (LSLBC) was created in 1956 by Act 233 and is governed under Title 37:2150-2192 of the Louisiana Revised Statutes, Chapter 24.

The LSLBC mission is to protect the general public and the integrity of the construction industry.

Through the Commercial Board and its Residential Subcommittee, the LSLBC regulates commercial, industrial, and residential construction projects.



Unlicensed Contractors...

- Cut corners
- Display no skills, knowledge, or competency
- Are not insured or bonded to perform construction work
- Offer cheaper services to the consumer
- “Sounds too good to be true and you get what you pay for”



Licensed Contractors...

- Do it the right way!
- Take pride in their work
- Demonstrate competency and knowledge of construction industry standards
- Doing business compliant and legal by the laws of Louisiana and the Federal Government



LSLBC License Types

- Commercial License
- Residential License
- Mold Remediation License
- Home Improvement Registration

Commercial License

What does Commercial License cover?

- Commercial projects with a value of \$50,000 or more
- Subcontractor/Specialty Trades for commercial projects with a value of \$50,000 or more including labor and materials.
- Exceptions:
 - Electrical/Mechanical/Plumbing exceeding \$10,000 including labor and materials. For Plumbing contractors, contractors must provide a copy of their Master Plumbing License from the State Plumbing Board of Louisiana.
 - Asbestos, Hazardous Waste, Lead Based Paint Abatement/Removal, Underground Storage Tanks require a commercial license with appropriate classification for projects with a value of \$1.00 or more including labor and materials.
- Hire licensed subcontractors
- More than 19,000 licensed commercial contractors

Commercial License

What are the requirements for licensure?

- Complete and submit an application.
- Financial statement affidavit showing a minimum of \$10,000 net worth.
- Applicant must take Business & Law Course.
- Applicant must pass Trade Exam, if applicable.
- Business entities must be registered with the Louisiana Secretary of State.
- Once the license is issued the initial license certificate will be valid for one year, then you may renew your license for a one, two, or three year period.
- A Renewal notice will be emailed or mailed to the address on record approximately 60 days prior to the expiration, 15 days prior to expiration and upon expiration of the license.

Residential License

What does Residential License cover?

- Residential construction or home improvement projects exceeding \$75,000 including labor and materials.
- Subcontractors/specialty trades for residential projects where the labor and materials exceeds \$7500 for the following specialty classifications: Residential pile driving; residential foundations; residential framing; residential roofing; residential masonry/stucco; and residential swimming pools.
- Home Improvement projects
 - More than 4,000 licensed residential contractors
 - Hire licensed subcontractors

Residential License

What are the requirements for licensure?

- Complete and submit an application.
- Financial statement affidavit showing a minimum of \$10,000 net worth.
- Applicant must take Business and Law course.
- Applicant must pass trade exam, if applicable.
- Provide proof of general liability insurance with a minimum amount of \$100,000 and proof of workers' compensation coverage.
- Business entities must be registered with the Louisiana Secretary of State.

Licensing Requirements for Building Homes

Residential Building Contractor License

- Single family homes
- A single duplex, triplex, or fourplex

Commercial Building Construction License

- Three or more single family homes built under the same contract in the same subdivision
- Two or more duplexes, triplexes, or fourplexes
- Apartment buildings or condominiums

Residential Subcontract Labor Only Specialty Classifications

Subcontractors working under the direct supervision of a licensed residential building contractor may obtain a **Subcontract Labor Only** specialty classification by:

- Completing and submitting an application.
- Submitting an affidavit executed by a licensed residential building contractor that attests to the subcontractor's quality of work and character.
- Passing the Law, Rules, and Regulation Exam.
- Providing proof of current general liability and workers' compensation insurance.

Home Improvement Registration

What does this registration cover?

- Home improvement projects with a value exceeding \$7,500 but not in excess of \$75,000 including labor and materials.

What are the requirements to obtain registration?

- Complete and submit an application.
 - Provide proof of general liability insurance with a minimum amount of \$100,000 and proof of workers' compensation coverage.
 - Business entities must be registered with the Louisiana Secretary of State.
- More than 2,200 registered home improvement contractors

Mold Remediation License

What does this license cover?

- Mold Remediation projects with a value of \$1.00 or more including labor and materials.

What are the requirements for licensure?

- Complete and submit application.
 - Financial statement with a minimum of \$10,000 net worth.
 - Applicant must pass Business and Law exam.
 - Applicant must complete Louisiana's Unfair Trade and Consumer Protection Law seminar.
 - Applicant must provide proof of Mold Remediation certification.
 - Provide proof of general liability & workers' compensation insurance
 - Business entities must be registered with the Louisiana Secretary of State.
- More than 200 licensed mold remediation contractors

Examinations

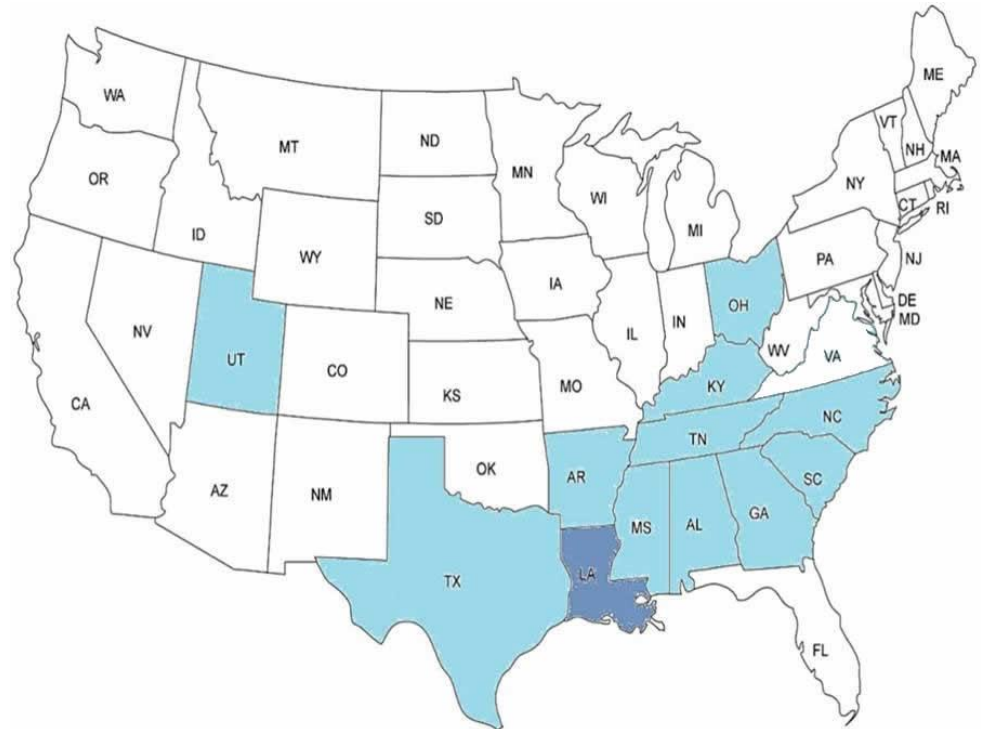
- 67 classifications requiring examination
 - Most current and updated classifications are found on LSLBC's website www.lacontractor.org
- Examinations are given Monday thru Saturday
- Frequently Administered Exams

Business and Law	1506
Residential Building Contractor	343
Building Construction	303
Electrical Work (Statewide)	212
Mechanical Work (Statewide)	167
- Reciprocity agreements with 22 Boards in 11 States

Reciprocity

- **Louisiana has reciprocity agreements with:**

- Alabama
- Arkansas
- Georgia
- Kentucky
- Mississippi
- North Carolina
- South Carolina
- Ohio
- Texas
- Tennessee
- Utah



Contracts

- We calculate total of all labor and material cost to determine whether a contract reaches licensure limits.



Complaints Filed to LSLBC

Homeowners

Licensed Contractors

Permit Offices

Agencies

Penalties for Violating Licensing Law

- Unlicensed contractors up to 10% of contract value (Commercial & Residential)
- Licensed contractors
 - Maximum of \$1,000 per violation
 - Suspension
 - Revocation of License
 - Probation
- Home Improvement – up to 25% of contract value
- Other legal remedies: cease & desist orders, permanent injunctions, and court costs
- Contractor Fraud - May be imprisoned up to 5 years when convicted by a law enforcement agency

Licensed Contractor... IT'S THE LAW

Three ways to verify licensure:

1. LSLBC website www.lacontractor.org
2. LSLBC mobile app - La. Contractor
3. Text-to-Verify 1-855-999-7896

Frequently Asked Questions

Source: <http://www.lslbc.louisiana.gov/frequently-asked-questions/>

Are there continuing education requirements for license holders?

There are no continuing education requirements for commercial, mold, or home improvement contractors/registrants.

There are continuing education requirements for residential building contractors. A residential building contractor is required to complete a minimum of six (6) hours of continuing education annually by a board-approved provider ([click HERE to view providers](#)). The contractor will maintain their education certificate for a five-year period and provide copies to this office, if requested. If the residential building contractor also holds a valid, current commercial license in one or more of the major classifications of 1) Building Construction; 2) Highway, Street and Bridge Construction; 3) Heavy Construction; 4) or Municipal and Public Works Construction, the six-hour requirement is considered to have been met.

I am performing construction work where my contract involves labor only. Do I need a contractor's license with the Louisiana State Licensing Board for Contractors?

When determining if a contractor's license is needed, the law requires that the cost of labor and materials be combined to assess the total project amount (no matter who supplies the materials). If the total project amount exceeds \$50,000 for commercial projects, \$10,000 for plumbing, electrical & HVAC, and \$7,500 for residential projects, a contractor's license is required.

LSLBC does have Subcontract Labor Only specialty classifications for commercial and residential subcontractors who perform labor only and do not bid on or manage projects. There are no trade exams for subcontract labor only specialty classifications.

To obtain these classifications, the subcontractor must submit the following:

- A completed, initial, signed and notarized Commercial or Residential application
- A completed Subcontract Labor Only form – this form to be completed by the subcontractor/applicant and a licensed general contractor.
- Submit the necessary documents and fees that are also listed in the application packet

Please click on the following links to obtain the Subcontract Labor Only form which will also include the application.

- [Subcontract Labor Only-Commercial](#)
- [Subcontract Labor Only-Residential](#)

Frequently Asked Questions

Do I also need a license with the Louisiana State Licensing Board for Contractors if I have a master plumber license with the State Plumbing Board of Louisiana?

If you are performing plumbing work valued at \$10,000 or more including labor and materials, the law requires that you also hold a commercial plumbing license with the Louisiana State Licensing Board for Contractors.

Can I build a single residential home with a Commercial license?

A Commercial license does not allow you to build a single residential home. A Residential license with the Residential Building Contractor classification is required for new home construction.

My company is registered with the Louisiana Secretary of State's office. Do I need to do anything further to perform construction work in Louisiana?

Registration with the Louisiana Secretary of State's Office does not qualify you to perform construction work in Louisiana. Being registered with the Louisiana Secretary of State's office only gives your company the authority to operate a business in Louisiana and also generally for state sales tax purposes.

A Louisiana state contractor's license/registration is required if you contract, bid, or perform work where the total project value including labor and materials exceeds the minimum threshold to hold a commercial license, residential license, mold remediation license, or an home improvement registration in the state of Louisiana. Information about each license or registration, the minimum threshold amounts, and the requirements for licensure please see our License Types and Information page at: <http://www.lslbc.louisiana.gov/license-types-and-information/>.

Frequently Asked Questions

I have an occupational license from my local city/parish office. Do I need a state contractor's license?

An occupational license is NOT a contractor's license. An occupational license only gives you or your company the authority to operate a business in that city/parish and it's generally for local sales tax purposes.

A Louisiana state contractor's license/registration is required if you contract, bid, or perform work where the total project value including labor and materials exceeds the minimum threshold to hold a commercial license, residential license, mold remediation license, or an home improvement registration in the state of Louisiana. Information about each license or registration, the minimum threshold amounts, and the requirements for licensure please see our License Types and Information page at: <http://www.lslbc.louisiana.gov/license-types-and-information/>.

Can I legally build a structure on property that I own without holding a license?

Louisiana State Contractors' licensing law allows an owner to build their primary residence without a license. You must live in this home. You cannot build a home to rent or sell without a license. Louisiana State Contractors' licensing law also allows an owner to build structures adjacent to their primary residence without a license, such as a shed. Visit your local permit office to obtain permits and a homeowner exemption form.

*If you wish to build a home/dwelling on property you own that **will not** be used as your primary residence a licensed general contractor and any subcontractors on the project must be licensed.*

Frequently Asked Questions

I want to perform Construction Management jobs. What must I do?

Any licensed contractor with any of the following major classifications shall be able to bid and perform any such project specified for construction and/or program management within the scope of the classification(s) they hold: Building Construction or Heavy Construction or Highway, Street, and Bridge Construction or Municipal and Public Works Construction. (Section 309 of the Rules and Regulations of the Board)

Does a subcontractor have to be licensed?

*A subcontractor who wishes to bid or perform **commercial** work where the total cost of the project including labor and materials for the following must be licensed with this Board:*

- *\$50,000 or more for major and specialty classifications*
- *\$10,000 or more for electrical, mechanical, and plumbing*
- *\$1 or more for hazardous*

*A subcontractor who wishes to bid or perform **residential** work (new construction) where the total cost of the project including labor and materials in the amount of \$7,500 or more must be properly licensed with this Board.*

I want to do a joint venture with a licensed Louisiana contractor. How does that work?

All parties in a joint venture are required to be licensed at the time the bid is submitted. Each party to the joint venture may only perform within the applicable classifications of the work of which he is properly classified to perform. (Section 307 of the Rules and Regulations of the Board)

Frequently Asked Questions

If I have a Commercial License, can I perform home improvement?

Yes, as long as the labor and materials do not exceed \$75,000.

Does dewatering require a license from LSLBC?

Water extraction, carpet removal, damaged drywall removal do NOT require a license from LSLBC.


Mold remediation and rebuilding a structure DO require licensure with this agency.

What must I do to maintain the license/registration once it is issued?


Once the license/registration is issued the initial license certificate will be valid for one year, then you may renew your license for a one, two, or three year period; however, Home Improvement registrations can only be renewed for a one-year period.

- A Renewal notice will be emailed or mailed to the address on record approximately 60 days prior to the expiration, 15 days prior to expiration and upon expiration of the license.
- For Residential, Mold Remediation and Home Improvement: you must provide proof of general liability and workers' compensation insurance coverage upon renewal of the license.
 - Insurance certificate(s) should be emailed directly from the insurance agent to insurance@lslbc.louisiana.gov.
 - **Note:** Failure to submit these documents can delay the renewal of the license.
- For Residential, Mold Remediation and Home Improvement: you must maintain continuous insurance coverage while holding an active license with this board.
- You must maintain a current address with this Board.
- You must maintain a Qualifying Party for all classifications listed on your license.
- If you are a residential building contractor, you are required to complete a minimum of six hours of continuing education annually by a board approved provider.
 - The contractor will maintain their education certificates for a five-year period and provide copies to this office if requested.
 - Click [HERE](#) for exceptions to the continuing education requirement.

LSLBC website: www.lacontractor.org



- Home
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- For Contractors
- Contractor Violations
- Bulletins & Publications
- Frequently Asked Questions
- Links
- Contact Us



2525 Quail Drive, Baton Rouge, 70808


(225) 765-2301

Google™ Custom Search

CONTRACTOR SEARCH


CONTRACTORS

CONSUMERS




Commercial Agenda for October 16


[Click here](#)



We've gone mobile!



Online Forms



Rules & Regulations

Renew Online

Application, Fees, and all regulations involving the renewal process. [Click here](#) for everything you need to know.

Weather the storm

Don't be a victim twice. Learn the the proper steps to check out contractors for your home repairs.

Newsletter

Type your email address below and receive our monthly news letter to stay in the know!



Louisiana Licensing Board for Contractors

Contact Information

Website:

www.lacontractor.org

Phone

1.225.765.2301

1.800.256.1392

SMALL BUSINESS OVERVIEW

Small business is the backbone of our state's economy. More than 97% of businesses in Louisiana are small businesses, and Louisiana Economic Development is committed to connecting small businesses with the services and resources they need to grow and succeed. We help new entrepreneurs realize the dream of business ownership and existing businesses remain competitive.

PROGRAM NAME	BENEFIT	ELIGIBILITY (NOT COMPREHENSIVE)
SMALL AND EMERGING BUSINESS DEVELOPMENT PROGRAM	Provides developmental assistance including entrepreneurial training, marketing, computer skills, accounting, business planning, legal and industry specific assistance	<ul style="list-style-type: none">• At least 51% of the company must be owned by a Louisiana resident, whose personal net worth cannot exceed \$400,000• Business' net worth at the time of application may not exceed \$1.5 million
BONDING ASSISTANCE PROGRAM	Provides bond guarantees up to 25% or \$100,000, whichever is less, for qualifying contractors requiring surety bonds for private or public jobs	<ul style="list-style-type: none">• Business must be certified in the Small and Emerging Business Development Program
LOUISIANA CONTRACTORS ACCREDITATION INSTITUTE	Provides business training focusing on expanding understanding of the construction industry	<ul style="list-style-type: none">• Must have the intent to start or currently have an established construction based Louisiana business
ECONOMIC GARDENING INITIATIVE	Provides Louisiana-based small businesses with accelerated technical assistance and research from an experienced national economic gardening team	<ul style="list-style-type: none">• Must have annual revenue between \$600,000 and \$50 million• Must have at least five employees but not more than 99 employees• Must demonstrate growth in annual revenue and/or jobs in two of the last five years

CEO ROUNDTABLES	Provides peer-to-peer learning that gives executives the opportunity to discuss business practices and management strategies with other executives who deal with similar growth challenges	<ul style="list-style-type: none"> • Should typically have annual revenue between \$600,000 and \$50 million • Should typically have at least five but not more than 100 employees
HUDSON INITIATIVE	Provides small businesses with greater potential for access to state procurement and public contract opportunities	<ul style="list-style-type: none"> • Must be certified by LED, a Louisiana resident and have fewer than 50 full-time employees
VETERAN INITIATIVE	Provides veteran-owned and disabled, service oriented veteran-owned small businesses with greater potential for access to state procurement and public contract opportunities	<ul style="list-style-type: none"> • Must be at least 51% owned by a veteran or disabled, service-oriented veteran • Must be certified by LED, a Louisiana resident and have fewer than 50 full-time employees



SBA Certifications

Women-Owned Small Business Federal Contracting program

The federal government's goal is to award at least five percent of all federal contracting dollars to women-owned small businesses each year.

Service-disabled Veteran-Owned Small Business program

The federal government's goal is to award at least three percent of all federal contracting dollars to service-disabled veteran-owned small businesses each year.

8(a) Business Development program

The federal government's goal is to award at least five percent of all federal contracting dollars to small disadvantaged businesses each year.

HUBZone program

The federal government's goal is to award at least three percent of all federal contracting dollars to HUBZone-certified small businesses each year.

The SBA guarantees surety bonds

Surety bonds help small businesses win contracts by providing the customer with a guarantee that the work will be completed. Many public and private contracts require surety bonds, which are offered by surety companies. The SBA guarantees surety bonds for certain surety companies, which allows the companies to offer surety bonds to small businesses that might not meet the criteria for other sureties.

How the SBA Surety Bond Program works

1



Surety bonds are requested

Some contracts require that the business doing the work be properly bonded.

2



Surety partners with business

Authorized surety companies provide surety bonds to businesses that meet their qualifications.

3



The SBA guarantees

The SBA guarantees surety bonds for private surety companies, so more small businesses can qualify.

4



Small businesses benefit

Small businesses get SBA-guaranteed surety bonds so they can get to work.

Other Certifications

Louisiana Department of Transportation and Development (DOTD)

- **DBE** -The Department's **Disadvantaged Business Enterprise** (DBE) program is designed to remedy ongoing discrimination and the continuing effects of past discrimination in federally-assisted highway, transit, airport, and highway safety financial assistance transportation contracting markets nationwide.
 - The U.S. Department of Transportation's DBE (disadvantaged business enterprise) program provides a vehicle for increasing the participation by MBEs in state and local procurement.
- **SBE** - The **Small Business Element** (SBE) Program was created to remedy past and current discrimination against SBE firms. The intention is to level the playing field for economically disadvantaged individuals wanting to do business with the DOTD on U.S. Department of Transportation federally assisted projects.

National Minority Supplier Development Council (NMSDC)

MBE - MBE Certification. A Minority Business Enterprise certification or MBE certification, defines your business as being owned, operated and controlled by a minority group. Certification is a valuable marketing tool for your small business, and can give you special consideration when bidding on contracts with local government.

How to Start a Small Business?

Develop a Business Plan

- Startup Costs, Product & Services, Management, Operations, Marketing, Funding, etc.

Determine Business Structure

- Sole Proprietorship
- Partnerships
- Corporations
- Limited Liability Company (LLC)

Register your Business - Secretary of State

(www.geauxBiz.com)

Register your business name

Obtain a Federal Identification Number from Internal Revenue (www.irs.gov)

Register with State Entities - (www.geauxbiz.com)

- Louisiana Secretary of State
- Louisiana Department of Revenue
- Louisiana Workforce Commission

Obtain industry – specific licenses and local licenses

Register with City for Occupational Licensing

Satisfy Tax Requirements

Satisfy Insurance Requirements

General Liability, Property, Business Interruption
Worker's Compensation

Accountant, Attorney & Lender



Any Questions?

**616 Harding Boulevard
Baton Rouge, LA 70807**

**Contact Number
(225) 771-2891**

**Website
www.louisianasbdc.org**



Non
Profit

STEPS TO STARTING A NON-PROFIT ORGANIZATION

*WHEN YOU HAVE A DESIRE TO
DO MORE FOR THE COMMON
GOOD OR COMMUNITY!*



P.O. Box 66563
Baton Rouge, LA 70896
Phone: (225) 715-4235
Email: landconsulting1@gmail.com

What is a Nonprofit Organization?

A nonprofit organization is a business that has been granted tax-exempt status by the Internal Revenue Service (IRS) because it furthers a social cause and provides a public benefit.

Donations made to a nonprofit organization are typically tax-deductible to individuals and businesses that make them, and the nonprofit itself pays no tax on the received donations or on any other money earned through fundraising activities.

Nonprofit **organizations** are sometimes called NPOs or 501(c)(3) organizations based on the section of the tax code that permits them to operate.



Answering the following questions can help you to determine if starting a non-profit organization is right for you, or if an alternate solution would be better for you and the community.

- **Is there a demonstrated need in the community for a new nonprofit with the mission you envision?**
- **Do you have a solid plan for financing the organization during start-up and in the future?**
- **What are the costs to start the organization?**
- **Where will you get not only start-up funding, but also operational funding to continue thereafter?**
- **How will this newly formed nonprofit demonstrate its impact?**
- **Is this the right solution for our community?**





STEPS TO STARTING A NONPROFIT ORGANIZATION

STEP 1: NAME YOUR LOUISIANA NONPROFIT

THE NAME YOU SELECT FOR YOUR NONPROFIT WILL ESTABLISH ITS BRAND. IT IS THE FIRST THING MOST PEOPLE WILL LEARN ABOUT YOUR ORGANIZATION. IT IS IMPORTANT TO PICK A NAME THAT BOTH ALIGNS WITH YOUR MISSION AND FOLLOWS THE RULES FOR NAMING IN YOUR STATE.

LOUISIANA NONPROFIT NAMING GUIDELINES

THE NAME YOU PICK FOR YOUR ORGANIZATION MUST NOT INCLUDE THE FOLLOWING WORDS:
“BANK”, “BANKING”, “BANKER”, “SAVINGS”, “TRUST”, “DEPOSIT”, "INSURANCE", "MUTUAL", "ASSURANCE", "INDEMNITY", "CASUALTY", "FIDUCIARY", "HOMESTEAD", "BUILDING AND LOAN", "SURETY", "SECURITY", "GUARANTEE", "COOPERATIVE", "STATE", "PARISH", "REDEVELOPMENT CORPORATION", "ELECTRIC COOPERATIVE", OR "CREDIT UNION".



Step 2: APPOINT A LOUISIANA REGISTERED AGENT

A nonprofit corporation in Louisiana is **required** to have a registered agent with a Louisiana address.

What is a Registered Agent? A registered agent is an individual or business entity responsible for receiving important legal documents on behalf of your business. Think of your registered agent as your business' point of contact with the state.

Step 3: SELECT YOUR BOARD MEMBERS AND OFFICERS

The **directors** of a nonprofit are responsible for overseeing the operations of the organization. The directors come together to form a board.

The **officers** of a nonprofit (such as the president or the secretary) are individuals with responsibilities, and the authority to execute based on their job descriptions.

Together, the officers and the board will come together to make up the organizational structure of your nonprofit. The organization structure of your nonprofit in Louisiana **MUST** include:

- At least 3 directors not related to each other
- A president
- A secretary
- A treasurer

STEP 4: FILE THE LOUISIANA ARTICLES OF INCORPORATION

TO BECOME A NONPROFIT CORPORATION IN LOUISIANA YOU MUST FILE THE ARTICLES OF INCORPORATION WITH THE STATE OF LOUISIANA.

IN ORDER TO QUALIFY FOR 501(C)(3) STATUS, THE ORGANIZATION'S PURPOSE MUST EXPLICITLY

BE LIMITED TO ONE OR MORE OF THE FOLLOWING:

CHARITABLE

RELIGIOUS

SCIENTIFIC

LITERARY

TESTING FOR PUBLIC SAFETY

FOSTERING NATIONAL/INTERNATIONAL AMATEUR SPORTS COMPETITION

PREVENTING CRUELTY TO ANIMALS/CHILDREN

YOU WILL NEED TO MAIL THE FOLLOWING TO THE SECRETARY OF STATE:

ARTICLES OF INCORPORATION

A NONREFUNDABLE FILING FEE OF **\$75** PAYABLE TO THE SECRETARY OF STATE.

COMMERCIAL DIVISION

P.O. BOX 94125

BATON ROUGE, LA

70804-9125

PHONE: (225) 925-4704

WEBSITE: WWW.SOS.LA.GOV



DRAFT

DRAFT BYLAWS AND CONFLICT OF INTEREST POLICY

- There are two documents that will be central to the running of your nonprofit:
- Bylaws: These are the rules that determine how your organization will be governed and run.
- Conflict of Interest Policy: These are the rules set to ensure that decisions being made for the nonprofit are based on what is best for the organization, and not being motivated by what is best for individuals.

CONDUCT

CONDUCT AN ORGANIZATION MEETING

- An organizational meeting is the first official meeting of your nonprofit! Some of the things that are discussed in a typical organizational meeting:
- Taking attendance to show you have a quorum (minimum number needed)
- Appointing temporary officers, chairmen, secretaries, etc.
- Adoption of the bylaws
- Adoption of conflict of interest policy
- Don't forget to record "minutes" of the meeting and have it signed by all attending directors. Here are some corporate minutes templates to help you get the ball rolling.

Step 7: FILE WITH RECORDER OF MORTGAGES

Take a moment to locate the recorder of mortgages in the parish where the organization's office is located. Within **30 days** of filing the articles of incorporation you must file with the recorder of mortgage office the following documents:

- A Secretary of State certified copy of the Articles of Incorporation
- A copy of the certificate of incorporation.

You can read the exact rule in the [state statutes](#).

Step 8: GET AN EIN

An **EIN** or Employment Identification Number (also called a Federal Tax Identification Number or Federal Employment Identification Number), is used to uniquely identify a business entity. You can think of the EIN as a Social Security number for your nonprofit.

The EIN is required for your organization whether or not it will have any employees.

SS-4 Application for Employer Identification Number		OMB No. 1545-0003
Form (Rev. January 2010) Department of the Treasury Internal Revenue Service		EIN
▶ See separate instructions for each line. ▶ Keep a copy for your records.		
1	Legal name of entity (or individual) for whom the EIN is being requested	
2	Trade name of business (if different from name on line 1)	3 Executor, administrator, trustee, "care of" name
4a	Mailing address (room, apt., suite no. and street, or P.O. box)	5a Street address (if different) (Do not enter a P.O. box.)
4b	City, state, and ZIP code (if foreign, see instructions)	5b City, state, and ZIP code (if foreign, see instructions)
6	County and state where principal business is located	
7a	Name of responsible party	7b SSN, ITIN, or EIN

EXAMPLE SS-4 FORM - CREATED BY TAX-ID-NUMBER-ONLINE.COM

Step 9: GET STATE TAX ID NUMBERS

Your organization will need to apply for a State Taxpayer Identification Number using Form [R-16019](#).

You can apply online or by mail. It will take about 3 business days to process if you are applying [online](#). If you are applying by mail, expect the processing to take 4-6 weeks.

Step 10: APPLYING FOR EXEMPTION FROM STATE AND FEDERAL TAXES (501(c)(3) STATUS) APPLYING FOR EXEMPTION FROM FEDERAL TAXES:

Before a nonprofit can apply for 501(c)(3) status it must:

1. Elect at least 3 directors not related to each other
2. Register as a nonprofit with the state
3. Adopt the bylaws and conflict of interest policy
4. Have an EIN number

Once these four conditions have been met your nonprofit can apply for 501(c)(3) tax-exempt status by [filing Form-1023 online](#).

If your application is approved, the IRS will send you a determination letter stating that your organization is exempt from federal taxes under section 501(c)(3).

APPLYING FOR EXEMPTION FROM STATE TAXES:

Once you have received your Letter of Determination from the IRS, submit a copy of that letter to the Louisiana Department of Revenue to be exempt from state taxes.

Department of Revenue
Post Office Box 201
Baton Rouge, LA 70821-0201
617 North Third Street
Baton Rouge, LA 70802
Phone: (855) 307-3893 or (225) 219-7462
Website: <http://www.revenue.louisiana.gov/>

If you would like to apply to be exempt from sales taxes, you can use form R-1048.



CREATING COMMUNITY DEVELOPERS AROUND HBCUS

IT ALL STARTS WITH ACQUISITIONS



DEIDRA CARR JONES

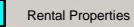
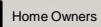
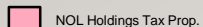
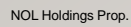
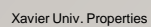
BROKER/OWNER

THE TOUCH DOWN GROUP

(504) 717-6706

THETOUCHDOWNGROUP.NOLA@GMAIL.COM

LICENSED IN THE STATE OF LOUISIANA



DDOEDTV



A framed sign with a black border and a white background is mounted on a light gray wall. The sign contains the text 'THE ROLE AND IMPORTANCE OF UNIVERSITIES IN DEVELOPING THEIR COMMUNITIES' in bold, black, uppercase letters. Below the sign, a wooden floor with vertical planks is visible.

THE ROLE AND IMPORTANCE OF UNIVERSITIES IN DEVELOPING THEIR COMMUNITIES

IMPORTANCE OF UNIVERSITIES/DEVELOPERS ACQUIRING PROPERTY

GET RID OF BLIGHT

- Blighted properties lowers the property value
- Blighted properties = danger zone

STUDENT COMMUNITY SAFETY

- Attract more students to university
- Create a more sustainable neighborhood

CREATE THRIVING CAMPUS/ NEIGHBORING COMMUNITY

- Become the University of Choice
- Become the shining light in the community through more Community funding by increasing population

ACQUISITION PROCESS

IDENTIFY PROPERTY

- Create Your Boundaries

LOCATE OWNER

- Internet
- Yellow pages
- Neighbors

NEGOTIATE SALE

- Know your Numbers (Comps)
- Worth of Property to University

RENOVATION

LEASE

CREATE WEALTH THROUGH HOME OWNERSHIP IN THE NEIGHBORHOOD

Disaster Mitigation in Real Estate

By Raymond A. Brown Esq MS MBA

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ranthonybrown@gmail.com

Scope

- ▶ This session provides an overview of the mitigation function, including the general types of and approaches to disaster mitigation, the politics involved in mitigation, and specific applications dealing with disaster types, and an introduction to land-use planning which is a principal means of reducing risk from hazards. As the primary tool for hazard mitigation at the community level, effective land-use planning is critically important in the management of environmental hazards. The regulation of land use can reduce the exposure of residents to natural hazards, such as limiting the development of floodplains, and to technological hazards, such as chemical storage facilities. Because of the importance of land-use management to hazard reduction, this session addresses the process and techniques of land-use planning in some depth, in addition to the range of approaches to hazard mitigation.

Mitigation Defined

- ▶ “Any activities which actually eliminate or reduce the probability of occurrence of a disaster. It also includes long-term activities which reduce the effects of unavoidable disasters” (National Governors’ Association, 2020).

General mitigation measures include

- building standards and codes,
- tax incentives/disincentives,
- zoning ordinances,
- land-use regulations,
- preventive health care programs, and
- public education to reduce risk

Mitigation Programs

Mitigation programs are designed to prevent disasters or reduce their effects by discouraging behaviors that may put people and property at risk, such as building homes and businesses in hazardous areas.

- Voluntary mitigation programs rely upon individuals, organizations, and communities to recognize the dangers posed by hazards and to reduce their exposure to the risk.



Mitigation Programs (Continued)

- Tax incentives, information concerning hazards and how to avoid them, and information on safe building practices, for example, only work if individuals, organizations, and communities decide that the risk of certain behaviors (such as building in wildfire areas) outweighs the benefits.
- Nonvoluntary or mandatory mitigation programs use the threat of punishment to encourage compliance with established standards, although some individuals, organizations, and communities may risk punishment rather than change their behaviors (such as restricting development in floodplains).

Voluntary Mitigation?

Studies of floodplain management generally find that people will not limit development on the floodplains without strict regulations and the threat of punishment, e.g., withdrawal of eligibility for low cost-flood insurance or eligibility for disaster assistance.

Mitigation Efforts

- ▶ Disaster mitigation efforts have expanded under Sections 404 and 406 of the Stafford Act of 1988 (FEMA, 1997).
 - Section 404 of the Stafford Act created the Hazard Mitigation Grant Program to provide federal monies for mitigation projects. The Volkmer Amendment in 1993 improved the cost-sharing arrangement and increased the amount of federal money available for mitigation projects.
 - The grant program is funded at a level equal to 15 percent of the federal money spent on Public and Individual Assistance programs, minus administrative expenses, for a disaster.

Mitigation Measures

- Proposed projects have to be consistent with the overall mitigation strategy for the area and the grants can cover up to 75 percent of the cost of the project.
- Section 404 of the Stafford Act provides similar financial support for mitigation projects for government and nonprofit agencies, including such activities as debris removal following a disaster.

Discussion

- ▶ Why is it difficult to get people to reduce the risk to themselves and their property voluntarily?
- ▶ Why should the government provide incentives to reduce hazards – why not simply advise people of the risk and let them choose whether they will act to reduce the potential risk to themselves, their families, and their property?

Strategies for Disaster Mitigation

- The voluntary approach—using public information programs to inform people about hazards and encourage them to reduce the level of risk to their property, their families, their communities, and themselves;
- The regulatory approach—adopting land-use regulations and building standards to ensure that people build safely and reduce the risk to themselves and to others;
- The preemption approach—purchasing high-risk properties to prevent development and to ensure land uses that reduce the risk to people and property;

Strategies for disaster mitigation

- The punishment approach—refusing to provide disaster assistance to individuals, families, and businesses that do not use disaster mitigation strategies to reduce the risk of property losses, injury, or death; and
- The incentive approach—rewarding builders, residents, officials, and others for behaviors deemed desirable, such as reducing taxes or insurance costs for residents who install storm shutters, use disaster-resistant building designs, or choose to locate their homes away from areas prone to flooding.

Structural and Nonstructural Mitigation

- ▶ Mitigation techniques are generally categorized as structural or nonstructural, as well as voluntary or mandatory.
 - Building standards and codes and land-use regulation are two of the most used nonstructural mitigation techniques to reduce threats to property and potential loss of life.
 - Building standards specify what materials can be used in the construction of homes, businesses, and institutional structures based upon criteria such as strength, durability, flammability, resistance to water and wind, etc., and appropriate designs for the environment.

Structural and Nonstructural Mitigation

- Building codes are regulations adopted by states and/or communities that specify what kinds of building materials and designs are appropriate for particular locations, general standards to reduce the risk of fire and/or damage from earthquakes or other kinds of disaster, and specific mitigation measures to reduce the potential damage from winds or other hazards.

The most common building codes in the U.S.

- ▶ the Standard Building Code, which is primarily adopted in the Southeast;
- ▶ the National Building Code, which is primarily adopted in the states of the Mid-Atlantic and Eastern region;
- ▶ the Uniform Building Code, which is primarily adopted in the Midwest and West; and

Building Codes

- The effectiveness of building standards and codes depends upon their appropriateness for particular communities and upon their enforcement.
- Some states require local adoption of building codes, some leave it up to local authorities to adopt an appropriate code, and others simply recommend that localities adopt codes.
- May concluded that the political culture within the state and the actions of interest groups were most closely associated with states' approaches to building regulation

Building Codes

Peter May (1997) has categorized state orientations toward building regulation in the following manner:

- ▶ Minimalist states have no codes or only have them for some situations;
- ▶ Enabling states authorize local governments to adopt and enforce codes but do not require it;
- ▶ Mandatory states have state codes and require local enforcement, but do not oversee that enforcement strictly; and
- ▶ Energetic states both require local enforcement of codes and monitor local compliance with that requirement.

Building Code Compliance

- ▶ The importance of building codes is widely accepted by the American public, but compliance with the codes is questionable.
- ▶ For example, Hurricane Andrew devastated communities in south Florida, despite them having some of the strongest building codes in the nation.
 - Analysis of the damage revealed that many homes had not been built according to code and, although the storm was so strong that most would have been severely damaged anyway, poor construction caused much of the damage.
 - The problem was poor enforcement of the building code, rather than an inadequate code or no code at all

Building Codes and Insurance

- I. Insurance companies operating in south Louisiana suffered massive losses from major hurricanes. Some of the companies were forced into bankruptcy by their losses and many others refused to issue more policies in the region because they had underestimated their exposure because of the poor enforcement of building codes.

Perceptions of Building Codes

- I. A survey of residents in hurricane-prone areas, showed that overwhelming majorities (93 percent) felt that building codes were important, but only two-thirds (66 percent) felt that builders in their communities followed the codes

Perceptions of Building Codes

- A. A survey also revealed that just over one third (37 percent) felt that the wind codes in their communities were adequate and over four fifths (83 percent) expressed a willingness to spend money to make their homes more wind resistant. Those who had suffered hurricane damage before were most willing to spend money to mitigate future losses (Insurance Institute for Property Loss Reduction, 1995: 1-2).

Perceptions of Building Codes

- A. A survey also revealed that most of the respondents (85 percent) felt that local building departments should inspect new construction and take an active role in providing information (79 percent) and educating the public (69 percent) on building codes (Insurance Institute for Property Loss Reduction, 1995: 2).

Perceptions of Building Codes

- The majority of the respondents (71 percent) also felt that insurance companies should play active roles in reducing hurricane losses by inspecting buildings, offering discounts, working with builders, and lobbying for stricter codes (Insurance Institute for Property Loss Reduction, 1995: 2).

Structural Mitigation

- ▶ Structural mitigation techniques include building dams, levees, breakwaters, and containment ponds to hold water or slow its flow; building civil defense shelters; and other physical means to reduce potential loss of life and property.
- ▶ Public agencies and officials are often predisposed to use structural or nonstructural mitigation measures rather than seek other options. For example, engineers tend to be oriented toward structural solutions and lawyers tend to be oriented toward nonstructural solutions.

Mitigation Today

- ▶ As the field of emergency management has professionalized, drawing people from a variety of professional backgrounds, and more people have become involved in decision processes, nonstructural mitigation measures have become more popular.

Discussion

- ▶ If insurance companies, professional emergency managers, and the public at large support effective building codes and other mitigation measures, why are they not adopted in many states and communities?
- ▶ What groups might oppose the adoption of building codes and other mitigation measures and why?